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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

BLACKBERRY LIMITED, a Canadian
corporation,

Plaintiff,

vs.

TWITTER, INC., a Delaware
corporation,

Defendant.

CASE NO. 2:19-cv-01444-GW (KSx)

**SUPPLEMENTAL BRIEF
REGARDING THE IMPACT OF
THE COURT'S DETERMINATION
OF PATENT-INELIGIBILITY IN
THE *FACEBOOK* CASE ON
TWITTER'S PENDING MOTION
TO DISMISS**

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Summary judgment of patent-ineligibility on the independent claims of the '351 and '929 Patents in *Facebook* will collaterally bar BlackBerry from pursuing any other outcome here. Accordingly, if Facebook and Snap's motion is granted, the causes of action as to the '351 and '929 Patents should be dismissed with prejudice.

LEGAL STANDARD

Collateral estoppel serves to "preclude parties from contesting matters that they have had a full and fair opportunity to litigate." *Montana v. United States*, 440 U.S. 147, 153–54 (1979). With respect to patent-ineligibility, "once the claims of a patent are held invalid in a suit involving one alleged infringer, an unrelated party who is sued for infringement of those claims may reap the benefit of the invalidity decision under principles of collateral estoppel." *Mendenhall v. Barber-Greene Co.*, 26 F.3d 1573, 1577 (Fed. Cir. 1994).

In patent cases, collateral estoppel is generally governed by regional circuit law. *Aspex Eyewear, Inc. v. Zenni Optical Inc.*, 713 F.3d 1377, 1380 (Fed. Cir. 2013). Under Ninth Circuit law, collateral estoppel applies when: "(1) the issue necessarily decided at the previous proceeding is identical to the one which is sought to be relitigated; (2) the first proceeding ended with a final judgment on the merits; and (3) the party against whom [estoppel] is asserted was a party or in privity with a party at the first proceeding." *Paulo v. Holder*, 669 F.3d 911, 917 (9th Cir. 2011). Courts also consider whether the estopped party had a "full and fair opportunity to litigate the issue." *Oyeniran v. Holder*, 672 F.3d 800, 806 (9th Cir. 2012).

ARGUMENT

I. Collateral Estoppel Precludes Further Litigation of the '351 and '929 Patents

A judgment of patent-ineligibility as to U.S. Patent Nos. 8,296,351 (the "'351 Patent") and 8,676,929 (the "'929 Patent") will estop BlackBerry from asserting those patents here. It will have litigated, and lost, the issue.

First, the identity requirement is easily satisfied. The same two patents are in dispute: the '351 and '929 Patents. The same legal question is presented and central

1 to the summary judgment motion in *Facebook*: eligibility under 35 U.S.C. § 101.

2 **Second**, grant of summary judgment of patent-ineligibility of the '351 and '929
 3 Patents in *Facebook* will meet the final judgment prong. For purposes of collateral
 4 estoppel, a “final judgment” can be any prior adjudication of an issue that is
 5 determined to be “sufficiently firm” to be accorded conclusive effect. *Luben Indus.,*
 6 *Inc. v. United States*, 707 F.2d 1037, 1040 (9th Cir. 1983). In determining the
 7 firmness of a prior decision, courts consider factors such as (1) whether the decision
 8 was “avowedly tentative,” (2) whether the parties were fully heard, (3) whether the
 9 decision was supported with a reasoned opinion, and (4) whether that decision is
 10 subject to appeal or was in fact reviewed on appeal. *Id.* The first three factors will
 11 undoubtedly support the firmness of the grant of summary judgment in *Facebook*.
 12 The fourth factor is not relevant. As *Luben* explains, that factor arises from the
 13 concern that the court rendering the prior decision could still revisit that decision and
 14 thus undercut the purpose of applying collateral estoppel to conserve judicial
 15 resources and promote judicial consistency. *See id.* But that is not a concern here
 16 because this Court is also rendering the *Facebook* decision. If Facebook and Snap’s
 17 summary judgment motion is granted with respect to the '351 and '929 Patents, the
 18 Court’s summary judgment ruling will be “sufficiently firm.” In any event, the
 19 appealability of a judgment is but one factor and is outweighed by other factors
 20 supporting collateral estoppel here.

21 *UCP International Co. v. Balsam Brands Inc.*, which presents similar facts, is
 22 instructive. No. 16-cv-07255-WHO, 2017 WL 5068568, at *3-*4 (N.D. Cal. Nov. 3,
 23 2017). In that case, Judge Orrick of the Northern District of California barred the
 24 patentee from relitigating claim construction based on his own prior claim
 25 construction order on the same patent in another case against a different accused
 26 infringer. *Id.* at *4. Citing *Luben*, Judge Orrick concluded that his prior claim
 27 construction was preclusive despite its interlocutory nature. Nothing in the prior
 28 claim construction denoted that it was “avowedly tentative”; a *Markman* hearing had

1 been conducted, affording the patentee the opportunity to “fully litigate the issues”;
 2 and his earlier decision was “supported by a reasoned opinion in a 22-page order,”
 3 presumably indicating that he did not see a need to revisit that decision. *Id.* at *3-*4.
 4 Given that determination, Judge Orrick found “[t]hat the [prior claim construction]
 5 cannot now be appealed is not sufficient to counterbalance the factors that weigh in
 6 favor of collateral estoppel” and did not revisit his prior constructions. *Id.*; *see Altair*
 7 *Instruments, Inc. v. Kelley West Enters., LLC*, No. 15-cv-8115-R, 2016 WL 9137632,
 8 at *2 (C.D. Cal. May 26, 2016) (“Merely settling a case prior to the conclusion of any
 9 potential appeal need not remove the preclusive effect of a decision.”).

10 **Third**, BlackBerry, as the party against whom collateral estoppel is asserted
 11 here, is unquestionably also the same party in *Facebook*.

12 **Finally**, it is beyond doubt that BlackBerry has had full and fair opportunity to
 13 litigate the eligibility of the ’351 and ’929 Patents in *Facebook*. At the motion to
 14 dismiss stage, BlackBerry opposed dismissal under § 101. At the *Markman* stage, the
 15 Court resolved relevant claim construction disputes. At summary judgment,
 16 BlackBerry had yet another opportunity to litigate any and all § 101 issues. In short,
 17 BlackBerry was repeatedly heard on this precise issue.

18 The instant case is a straightforward application of collateral estoppel. As the
 19 Supreme Court has long made clear, intervening final decisions of patent invalidity
 20 can render moot any other pending decisions on the same patent-at-issue. *Blonder-*
 21 *Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 350 (1971); *see,*
 22 *e.g., DietGoal Innovations LLC v. Chipotle Mexican Grill, Inc.*, 70 F. Supp. 3d 808
 23 (E.D. Tex. 2014) (Federal Circuit Judge Bryson, sitting by designation, granting
 24 summary judgment of invalidity under § 101 based on collateral estoppel from § 101
 25 determination in another case).

26 **II. Dependent Claim 10 of the ’929 Patent Changes Nothing**

27 Although Blackberry asserts dependent Claim 10 of the ’929 Patent against
 28 Twitter (and not against Facebook or Snap), BlackBerry should be similarly estopped

1 from further proceeding on that basis.

2 **First**, collateral estoppel applies to issues, not claims, that were litigated. *Ohio*
 3 *Willow Wood Co. v. Alps S., LLC*, 735 F.3d 1333, 1342 (Fed. Cir. 2013) (emphasis in
 4 original) (holding that under Federal Circuit precedent, “it is the identity of the *issues*
 5 that were litigated,” not the specific patent claims, “that determines whether collateral
 6 estoppel should apply.”). “If the differences between the unadjudicated patent claims
 7 and adjudicated patent claims do not materially alter the question of invalidity,
 8 collateral estoppel applies.” *Id.* (finding collateral estoppel applied to the assertion of
 9 unadjudicated patent claims where the patentee offered no explanation showing any
 10 material difference with adjudicated patent claims).

11 As Twitter’s motion explained, Claim 9 is exemplary of the ineligibility of all
 12 asserted claims of the ’929 Patent. Dkt. No. 39-1 at 19-20. There is no material
 13 difference among Claims 1 and 9 (at issue in *Facebook* and here) and Claim 10 (at
 14 issue here). Claim 10, which depends from Claim 9, simply adds the limitation of
 15 transmitting an advertisement instead of content information with a meta tag if an
 16 advertisement is relevant to a triggering event. But substituting one type of
 17 information for another type of information to be transmitted does not confer
 18 eligibility. *See Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir.
 19 2016) (“limit[ing information] to particular content . . . does not change its character
 20 as information”); *SAP Am., Inc. v. Investpic LLC*, 898 F.3d 1161, 1168 (Fed. Cir.
 21 2018).

22 Notably, in opposition to Twitter’s motion, BlackBerry argued at length that
 23 certain dependent claims supposedly conferred eligibility, but said nothing about
 24 Claim 10 of the ’929 Patent. *See* Dkt. Nos. 40, 40-1. It is too late for BlackBerry to
 25 manufacture an issue on this point now.

26 **Second**, Claim 10 of the ’929 Patent is independently invalid under 35 U.S.C.
 27 § 112, ¶ 4. The Court has already invalidated Claim 2 as “contrary to the requirements
 28 of § 112, ¶ 4,” which BlackBerry fully and fairly litigated during the *Facebook* claim

1 construction proceedings. *Facebook*, Dkt. No. 157 at 17-19. Although this Court
 2 only specifically addressed Claim 2 in *Facebook*, Claim 10 does not present any
 3 material difference in patentability as it is merely directed to a server configured to
 4 run the method of Claim 2. Claims 2 and 10 “use slightly different language to
 5 describe substantially the same invention,” but “the mere use of different words in
 6 these portions of the claims does not create a new issue of invalidity.” *Ohio Willow*
 7 *Wood*, 735 F.3d at 1342-43; *see also Nestle USA, Inc. v. Steuben Foods, Inc.*, 884
 8 F.3d 1350, 1352 (Fed. Cir. 2018). As above, all the elements of collateral estoppel
 9 are satisfied here, and BlackBerry cannot assert this claim against Twitter once
 10 judgment on the indefiniteness of Claim 2 is entered. *See Arduini v. Hart*, 774 F.3d
 11 622, 627, 638 (9th Cir. 2014) (affirming dismissal based on issue preclusion where
 12 dispositive issue had been previously resolved against plaintiff); *Ohio Willow Wood*,
 13 735 F.3d at 1343.

14 **III. BlackBerry Should Not Be Permitted to Amend its Complaint Again**

15 Any request for leave to amend to assert different claims of these patents
 16 should be denied. BlackBerry has already amended its complaint once in this case in
 17 the face of a § 101 motion to dismiss. Dkt. Nos. 17, 36. In that amendment,
 18 BlackBerry did not assert any other claims of the ’351 or ’929 Patents. *Compare*
 19 Dkt. Nos. 1, 36. If BlackBerry wished to provide factual allegations as to additional
 20 dependent claims, the time to do so was in its First Amended Complaint.

21 **CONCLUSION**

22 Twitter respectfully submits that the Court should grant Twitter’s motion as
 23 to the ’351 and ’929 Patents with prejudice. Collateral estoppel applies now. *See*
 24 *XY, LLC v. Trans Ova Genetics, L.C.*, 890 F.3d 1282, 1294-95 (Fed. Cir. 2018)
 25 (quoting *Dana Corp. v. NOK, Inc.*, 882 F.2d 505, 508 (Fed. Cir. 1989)) (“A remand
 26 for briefing is not a requirement to applying estoppel when there is no indication
 27 from the Patent Owner that ‘it did not have a full and fair opportunity to litigate the
 28 validity’ of its patent in the parallel case.”).

1 DATED: September 10, 2019

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